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# Canadian Farm Income Program

## Guide to Completing the Application

2002


Program Year





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## Introduction

The Canadian Farm Income Program (CFIP) provides income protection, on a whole-farm basis, to eligible applicants who have experienced dramatic income reductions caused by circumstances beyond their control.

This guide provides instructions on how to complete the *CFIP 2002 Application*. This guide should be used in conjunction with the *CFIP 2002 Program Handbook*, which contains important information and guidelines on CFIP.

The following supplementary forms are contained in separate packages that can be obtained by contacting CFIP:

- *Supplementary Schedules for Non-NISA Participants* - to be completed by applicants who do not participate in the NISA program;
- *Modified Accrual Accounting Option (MAAO) Schedules* - to be completed by applicants who wish to apply modified accrual adjustments to their reference margin;
- *Receivables Adjustment for Pooled Commodities (RAPC) Schedules* - to be completed by applicants who wish to or are required to perform a receivables adjustment in the claim year for income related to pooled commodities.

### Prior years' income and expense information:

If you have participated in the NISA program for each of the previous three years (or previous five years if you wish to use the Olympic average reference margin option), you do not need to submit income and expense information for your prior years. CFIP will use the information you submitted to NISA to calculate your prior years' program margins.

If you do not participate in the NISA program, or if you did not participate in NISA for one or more of the previous three years (or previous five years if you wish to use the Olympic average reference margin option), you must submit copies of your Statement of Farming Activities (individuals) OR financial statements (corporations) for each year you did not participate in NISA, unless this information was already submitted through a previous CFIP or Agricultural Income Disaster Assistance (AIDA) program application.

**Partnerships:** Each partner in a partnership must file a separate CFIP application, reporting 100% of the partnership's income and expense information.

**Multiple Operations:** If you are involved in multiple farming operations, assign a number to each operation and complete a CFIP application for each operation.

**Note:** If your income or expenses fluctuate significantly between your claim and reference years, or if insufficient detail on your income and expenses is available, CFIP may contact you to obtain the additional information necessary to verify your application. If there are discrepancies between any figures which you provide on your 2002 application and those you provided on a previous CFIP or AIDA application, please attach a detailed explanation.

### Submit completed applications to:

CFIP  
P.O. Box 1816 Station Main  
Winnipeg, Manitoba  
R3C 3R1

The deadline for submitting completed  
CFIP 2002 Applications is  
**October 1, 2003.**

**Note:** If any of the information or attachments are missing or incomplete, the application will be returned to the applicant. It is the applicant's responsibility, even if a third party completes an application on their behalf, to ensure that their completed application has been submitted to and received by CFIP prior to the application deadline. Applications will not be considered to be received by the deadline unless all of the required information and documentation has been provided.

### For further assistance, refer to:

- **the CFIP toll-free information line:**  
1-888-343-1064 (English)  
1-888-592-4314 (French)
- **the CFIP website:**  
<http://www.agr.gc.ca/cfip> (English)  
<http://www.agr.gc.ca/pcra> (French)

## Completing the Application

- **All applicants** must complete Parts 1 through 6 of the *CFIP 2002 Application*.
- If you wish to use the Olympic average reference margin option, you must provide information for the 1997 and 1998 reference years on Parts 2b, 2c, and 3. If there are any discrepancies between the figures which you provide on your 2002 application and the figures you provided on a previous CFIP application, please attach a detailed explanation.
- If you file to Canada Customs and Revenue Agency (CCRA) on the accrual basis for all years, you do not need to complete Parts 4a, 4b, 4c, and certain sections of Parts 5 and 6 (see pages 15 and 17 for more details).

### Part 1 Applicant Information

Applicant			Contact Person	
Name			Name	Has this information changed since your last CFIP application? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address			Address	
Town/City	Province	Postal Code	Town/City	Province
Telephone Number (Days) ( )	Telephone Number (Evenings) ( )		Telephone Number (Days) ( )	Facsimile Number ( )

**3** For this application, are you applying for CFIP as:

- ☐ an individual
 ☐ a corporation
 ☐ a co-operative
 ☐ a trust
 ☐ a commune

Enter Social Insurance Number

Enter Business Number

Enter Trust Account Number

**4** Are you, or do you intend to be a NISA participant for the 2002 stabilization year?

☐ Yes ☐ No NISA PIN:

**5** Did you carry on a farming business as (check all applicable boxes):

- ☐ a sole proprietorship
 ☐ a shareholder of a corporation
 ☐ a member of a partnership
 ☐ a trust
 ☐ a member of a co-operative

**6** Province of main farmstead: \_\_\_\_\_ Province of residence at 2002 fiscal period-end: \_\_\_\_\_

e) Indicate the number of years you have farmed:

f) Indicate your language of preference: ☐ English ☐ French

g) If you are applying as a corporation, indicate the date of incorporation:

Year Month Day

h) If the corporation has been dissolved, provide the date of dissolution:

Year Month Day

i) If the participant is deceased, provide the date of death:

Year Month Day

**7** Are you a current or former federal public office holder or public servant?

☐ Yes ☐ No



## Part 1 Applicant Information

**1** Provide the name and address details of the applicant. The address that is indicated in this section is the address to which any payments will be sent. Enter only one name. Partners must file separate applications.

**2** If someone has filled out the application on your behalf and you wish CFIP to contact them for further information, please fill out the contact person details. CFIP will communicate first with your contact person and send written correspondence to both you and your contact person. If applicable, indicate whether or not your contact person information differs from the information that you provided on your previous CFIP application.

**3** a) Each operation must submit a separate application. If you are involved in more than one farming business, please submit a separate and complete application for each farming business. Individuals must provide their Social Insurance Number (SIN). Corporations and co-operatives must provide their Business Number. Trusts and communal organizations must provide their Trust Account Number.

**4** b) If you currently participate or intend to participate in NISA for the 2002 stabilization year, please provide your PIN. CFIP uses your PIN to retrieve information from NISA which speeds up the processing of your application.

**5** c) Indicate all types of farming businesses in which you participate. For example, if you are a member of a partnership, are a shareholder of a corporation, and have your own individual farm, you would check each applicable box. CFIP uses this information to associate all relevant farming information to your claim.

**6** d) Province of main farmstead is where you carry on the majority of your farming activity. Province of residence is the province to which you pay your income tax.

**7** j) Indicate if the applicant is a current or former federal public office holder or public servant. If the applicant is a corporation, co-operative/commune, or a partner in a partnership, indicate "Yes" if one or more shareholders, members, or partners is a current or former federal public office holder or public servant.

## Part 2a Farming Information

- a) Indicate the major reasons for the decline in your farming operation's 2002 program margin. Check all the boxes that apply and you must provide a written description in the area below.

☐ Weather / Production    ☐ Input Cost / Expense    ☐ Price    ☐ Other (specify) \_\_\_\_\_

Description of disaster(s) indicated above: \_\_\_\_\_

1

- b) If there has been a structural change in your farming operation, indicate the type of structural change. Check all the boxes that apply and you must provide a written description in the area below.

☐ Size of Operation    ☐ Type of Farming Practice    ☐ Business Structure    ☐ Other (specify) \_\_\_\_\_

Description of structural change: \_\_\_\_\_

2

- c) Were you in a crop-share landlord arrangement in 2002 or any of the previous years? ☐ Yes ☐ No

Were you in a crop-share tenant arrangement in 2002 or any of the previous years? ☐ Yes ☐ No

If you answered "Yes" to either of the above, provide a written description of your crop-share arrangement(s) below:

Description of crop-share arrangement: \_\_\_\_\_

3

- d) For your main farmstead, indicate its:

Rural Municipality Name: \_\_\_\_\_ Rural Municipality Number: \_\_\_\_\_

Legal Land Description: \_\_\_\_\_

4

- e) On what basis of accounting do you file your tax information to CCRA? ☐ Cash ☐ Accrual

On what basis of accounting do you file to NISA (if applicable)? ☐ Cash ☐ Accrual

Has your basis of accounting for CCRA and/or NISA changed in any of the claim or reference years? ☐ Yes ☐ No

- f) Did you receive a provincial program payment in your claim reference years? ☐ Yes ☐ No  
(See Guide to Completing the Application, page 5)

- g) Did you farm in a Prescribed Drought Region (PDR) at any time during the 2002 claim year? ☐ Yes ☐ No



## Part 2a Farming Information

### 1 a) Reasons for Decline in Claim Year

**Income:** CFIP uses this information to assess the disaster on your farm. Check all applicable boxes and provide a written explanation for each reason that you check (e.g.,: "Weather / Production" - barley hailed out; "Input Cost / Expense" - fertilizer prices higher than previous years; "Price" - wheat price dropped at year-end).

**2 b) Structural Change:** "Structural change" is defined as any change to your farming operation that impacts its potential for profit. Structural changes include (but are not restricted to) changes in your farming operation's size, productive capacity, farming activities, farming practices, business structure, and/or methods of accounting. CFIP considers and adjusts for structural changes to ensure that your current and prior year program margins accurately reflect your farming operation's current potential for profit.

If your farming operation has undergone a structural change in either the claim or reference years, check all applicable boxes and provide a written description of each structural change (e.g.,: "Size of Operation" - increase / decrease in seeded acres or livestock fed; "Type of Farming Practice" - grains and oilseeds operation adds a livestock operation; "Business Structure" - downsizing of a corporation due to the exit of an actively farming shareholder).

**3 c) Crop share:** Indicate whether you were involved in a crop-share arrangement (either as a tenant or as a landlord) in 2002 or any of the previous years. For CFIP purposes, you are considered to be in an allowable crop-share agreement only if you share in the production and price risk of the crop. A strict land rental agreement (receiving or making a set payment for use of land) is not considered an allowable crop-share under CFIP.

**4 d) Main farmstead:** Indicate the rural municipality (name and number) in which your main farmstead is located, and provide its legal land description.

**5 e) Basis of Accounting:** Indicate the basis of accounting on which you file to CCRA and/or NISA (if applicable). Indicate if there has been a change in your basis of accounting in any of the claim or reference years.

**6 f) Provincial program payments:** Indicate whether you received, in any of your reference or claim years, any provincial program payments. These may include, but are not limited to, the program payments listed in the table below:

	Provincial Program Payments
SK	Canada-Saskatchewan Adjustment Program Payments Canada-Saskatchewan Unseeded Acreage Payments
MB	Canada-Manitoba Adjustment Program Payments Manitoba Farm Disaster Assistance Program Payments
NB	Hog Stabilization Payments Market Risk Program Payments Interest Repayments on 1998 PHL-Loans
NS	Pork Risk Management Service Payments Loan Loss Provision Program Payments Beef Performance Program Payments (Option B)

**7 g) Prescribed Drought Regions (PDR):** Indicate whether your farming operation was located in a PDR at any time during the 2002 claim year. Detailed information on PDR's is available from the Prairie Farm Rehabilitation Administration.

## Part 2b Acreage Information

Office Use Only	SECTION A: SEEDED ACRES	1997	1998	1999	2000	2001	2002
1	Total acres of all "Crop Basket" crops that were seeded						
2	Total acres of all "Forage Basket" crops that were seeded						
136	Total acres of all "Herbs/Spices Basket" crops that were seeded						
144	Total acres of all "Forage Seed Basket" crops that were seeded						
154	Total acres of all "Bean Basket" crops that were seeded						
153	Total acres of all "Vegetable Basket" crops that were seeded						
155	Total acres of all "Organic Basket" crops that were seeded						
	Acres of other crops that were seeded (specify below)	1997	1998	1999	2000	2001	2002
	Totals:						

Office Use Only	SECTION B: OTHER ACREAGE INFORMATION	1997	1998	1999	2000	2001	2002
	Pasture Acres						
	Unseedable Acres						
	Summerfallow Acres						
	Wasteland Acres						
	Totals:						

**All applicants must complete Part 2b.** CFIP uses the information on this Part to adjust your reference year program margins, where necessary, to account for a structural change that occurred on your farming operation.

If you are a partner, report 100% of the acreage. If you are in a crop share, report only your percentage share of the acreage.

**Note:** If there are any discrepancies between the figures which you provide on your 2002 application and the figures you provided on a previous application, please attach a detailed explanation.

**1 Section A:** Under each "basket" category, indicate the *total* number of acres you seeded in each year. Refer to the tables on the following pages to determine which crops fall under each basket in your province. For crops that are not part of a basket, list each separately under the "Other Crops" category and indicate the number of acres that you seeded with each crop in each year.

**2 Section B:** Provide a breakdown of the other acres on this farming operation in each year.

Category	refers to acres in that year that were:
Pasture	used as pasture for livestock
Unseedable	too wet or too dry to seed
Summerfallow	unseeded for summerfallow purposes
Wasteland	unusable (e.g.: bushland, sloughs, other normally non-productive acres)

## Part 2b Baskets for Saskatchewan and Manitoba Crops

CROP BASKETS	
SK	MB
Beans, Faba	Beans, Faba
Barley	Barley
Canary seed	Buckwheat
Canola, all	Canary seed
Caraway	Canola, all
Chickpeas, all	Corn, Grain
Coriander	Flax, all
Flax, all	Lentils, all
Lentils, all	Mixed Grain
Mustard	Mustard
Oats	Oats
Peas, Dry	Peas, Dry
Rye, all	Rye, all
Sunflower, all	Sunflower, all
Sunola	Triticale
Triticale	Wheat, all
Wheat, all	

HERBS & SPICES BASKETS	
SK	MB
Anise	Anise
Borage	Borage
Cumin	Caraway Seed
Dill	Cilantro
Fenugreek	Coriander
Fireweed	Cumin
Ginseng	Dill
Mint	Fenugreek
St. John's Wort	Fireweed
	Ginseng
	Mint
	Parsley
	St. John's Wort

ORGANIC CROP BASKETS	
SK	MB
Barley, Organic	Barley, Organic
Beans, Organic	Beans, Organic
Buckwheat, Organic	Buckwheat, Organic
Flax, Organic	Flax, Organic
Lentils, Organic	Lentils, Organic
Oats, Organic	Oats, Organic
Peas, Organic	Peas, Organic
Quinoa, Organic	Quinoa, Organic
Radish Seed, Organic	Rye, Organic
Rye, Organic	Soybeans, Organic
Soybean, Organic	Wheat, Organic
Wheat, Organic	

VEGETABLE BASKETS	
SK	MB
Asparagus	Asparagus
Bean, Wax	Bean, Wax
Beets	Beets
Broccoli	Broccoli
Cabbage	Cabbage
Cantaloupes	Cantaloupes
Carrots	Carrots
Cauliflower	Cauliflower
Corn, Sweet	Celery
Cucumbers, Field	Corn, Sweet
Lettuce, Field	Cucumbers, Field
Onions	Leeks
Peas, Sweet	Lettuce, Field
Peppers, Green	Onions
Potatoes, all	Peppers, Green
Pumpkin	Potatoes, all
Radishes	Pumpkin
Tomatoes, Field	Radish
Watermelon	Squash
	Tomatoes, Field
	Vegetables, Chinese
	Watermelon

FORAGE SEED BASKETS	BEAN BASKETS
SK & MB	SK & MB
Alfalfa	Beans, Black
Bentgrass	Beans, Cranberry
Birdsfoot Trefoil	Beans, Great Northern
Bromes, all	Beans, Kidney
Clover, Alsike	Beans, Pinto
Clover, Red	Beans, Small Red
Clover, Sweet	Beans, White Pea (Navy)
Fescues, all	Soybeans
Wheat Grass, all	
Green Needle Grass	
Indian Grass	
June Grass, Common	
Kentucky Blue	
Milkevetch	
Millet	
Orchard Grass	
Reed Canary	
Rye Grass, all	
Sainfoin	
Switch Grass	
Timothy	
Tufted Hair Grass	



CROP BASKETS		
NB	NS	NL
Barley, Atlantic	Barley, Atlantic	
Canola, all	Canola, all	
Corn, Grain	Corn, Grain	
Oats	Oats	
Wheat, all, Atlantic	Wheat, all, Atlantic	
FORAGE BASKETS		
NB	NS	NL
Alfalfa / Grass	Alfalfa / Grass	Alfalfa / Grass
Alfalfa	Alfalfa	Alfalfa
Alfalfa, dehy	Alfalfa, dehy	Alfalfa, dehy
Hay, all	Hay, all	Hay, all
Silage, Corn	Silage, Corn	Silage, Corn
Silage, (all types)	Silage, (all types)	Silage, (all types)
VEGETABLE BASKETS		
NB	NS	NL
Asparagus	Asparagus	Beets
Bean, Wax	Bean, Wax	Broccoli
Beets	Beets	Cabbage
Cabbage	Cabbage	Carrots
Carrots	Cantaloupes	Cauliflower
Corn, Sweet	Carrots	Lettuce, all
Cucumbers, Field	Cauliflower	Potatoes, all
Onions	Corn, Sweet	Rutabagas
Potatoes, all	Cucumbers, Field	Turnips
Pumpkin	Lettuce, Field	
Squash	Onions	
Tomatoes, Field	Peas, Green	
Turnips	Peppers, Green	
	Potatoes, all	
	Pumpkin	
	Rhubarb	
	Rutabagas	
	Spinach	
	Squash	
	Tomatoes, Field	
	Turnips	

## Part 2c Livestock Information

### SECTION A: SALES OF LIVESTOCK

Office Use Only	SALES OF BEEF (raised from birth)	Units	1997	1998	1999	2000	2001	2002
1038	All animals sold (up to 900 lbs)	# of head						
1039	All animals sold (901 lbs and over)	# of head						
	<b>SALES OF BEEF (purchased)</b>	Units	1997	1998	1999	2000	2001	2002
1040	All animals sold (up to 900 lbs)	# of head						
1041	All animals sold (901 lbs and over)	# of head						
	<b>SALES OF HOGS (raised from birth)</b>	Units	1997	1998	1999	2000	2001	2002
1042	Isoweans (birth to 18 lbs)	# of head						
1043	Weanlings (19 to 65 lbs)	# of head						
1044	Growers (66-180 lbs)	# of head						
1045	Farrow to finish (181 lbs and over)	# of head						
	<b>SALES OF HOGS (purchased)</b>	Units	1997	1998	1999	2000	2001	2002
1046	All slaughter hogs	# of head						
	<b>OTHER (specify below)</b>	Units	1997	1998	1999	2000	2001	2002

### SECTION B: PRODUCTIVE CAPACITY

Office Use Only		Units	1997	1998	1999	2000	2001	2002
	Cattle	# of cows that birthed						
		Units	1997	1998	1999	2000	2001	2002
	Swine	# of sows that birthed						
	<b>OTHER (specify below)</b>	# of productive units	1997	1998	1999	2000	2001	2002
	Dairy	kg butterfat / day						
	Dairy	kg milk / day						
	PMU	grams / year						
	Chickens, layers (eggs for hatching)	# producing						
	Chickens, layers (eggs for consumpt.)	# producing						
	Chickens, broilers	# sold						
	Turkeys, broilers	# sold						

All applicants must complete Part 2c. CFIP uses the information on this Part to adjust your reference year program margins, where necessary, to account for a structural change that occurred on your farming operation.

If you are a partner, report 100% of the production. If you are in a livestock share agreement, report only your percentage share of the production.

**Note:** If there are any discrepancies between the figures which you provide on your 2002 application and the figures you provided on a previous application, please attach a detailed explanation.

**1 Section A - Sales of Livestock:** Under each category heading, indicate the quantity you sold of each type of livestock in each year.

**2 Section B - Cattle and Swine:** Provide a breakdown of the number of females that have birthed for this operation within each year.

**Other Livestock:** For supply-managed commodities, enter the amount of quota/contract held in each year. For livestock that produces other products, enter the number of producing animals (e.g., honey bees: enter the # of colonies/hives). For all other livestock that are intended for meat or breeding, enter the number of animal sales.

## Contract Work / Machine Rental Income

Contract Work/ Machine Rental			1999	2000	2001	2002
Agricultural contract work income (allowable) - specify	1997	1998				
Subtotal		1				
Machine rental income (non-allowable) - specify	1997	1998	1999	2000	2001	2002
Subtotal						
Total						

## Other Income (Line 9600 of your T1163 or T2042) and Provincial Program Payments

[illegible]

## Contract Work / Machine Rental Expense

Agricultural contract work expense (allowable) - specify			1997	1998	1999	2000	2001	2002
Subtotal								
Machine rental expense (non-allowable) - specify			1997	1998	1999	2000	2001	2002
Subtotal								
Total								

## Salaries and Wages

Salaries and Wages	1997	1998	1999	2000	2001	2002
Arm's length salaries		4				
Non-arm's length salaries						

Under international trade guidelines, only income and expenses derived from agriculture are eligible for farm support programs. For this reason, income and expense items related to agriculture (e.g., agricultural custom work) are included in the CFIP program margins, whereas income and expense items that are unrelated to agriculture (e.g., non-agricultural custom work, machine rental) are excluded. For further details on allowable and non-allowable income and expenses, refer to Pages 6 to 8 of the *CFIP 2002 Program Handbook*.

Both allowable and non-allowable income and expense items are often reported as a single item for tax purposes. In order to adjust your program margins accordingly, CFIP requires a more detailed breakdown of the following information that you reported on your statement of farming activities:

- Contract Work and Machine Rental Income
- Other Income
- Contract Work and Machine Rental Expenses
- Salaries and Wages



**Note:** If you have already provided some or all of your historical information through a previous AIDA or CFIP application, provide the information for only those years that were not detailed on your previous applications. If there are any discrepancies between the figures which you provide on your 2002 application and the figures you provided on a previous application, please attach a detailed explanation.

**1 Contract Work / Machine Rental Income:** Provide an itemized breakdown of all income items that you reported on Line 9601 and/or Line 9614 of your statement of farming activities for each year. Each item must be described separately under the appropriate heading. Attach a separate list if additional space is required.

Agricultural contract work income includes income from custom harvesting, custom spraying, and contract seed cleaning. Machine rental income refers to income generated from the rental of machinery. If any machine rental income items were included on line 9601 of your statement of farming activities, you must list these items and their amounts under "Machine Rental Income".

**Note:** The total dollar amount in each year must equal the amount you reported for Custom Work/ Machine Rental income on your statement of farming activities in each year.

**2 Other Income:** Provide an itemized breakdown of all income reported on Line 9600 of your statement of farming activities for each year. Also, specify any provincial program payments and the amounts you received in each year (see Page 5 for a list of applicable program payments). Indicate where on your statement of farming activities these payments are declared.

**3 Contract Work / Machine Rental Expense:** Provide an itemized breakdown of all expense items that you reported as Custom Work and Machinery Rental expenses on your statement of farming activities for each year (Lines 9798 and/or Line 9765 of your T1163 if you participate in NISA; otherwise, under the heading of "Custom or contract work, and machinery rental expense" of your T2042). Each item must be described separately under the appropriate heading. Attach a separate list if additional space is required.

Agricultural contract work expenses include expenses from custom harvesting, custom spraying, and contract seed cleaning. Machinery rental and lease refer to expenses incurred from the rental or leasing of machinery. If any machine rental expense items were reported on line 9798 of your T1163, you must list these items and their amounts under "Machine Rental Expense".

**Note:** The total dollar amount in each year must equal the amount you reported for Custom Work/ Machine Rental expense on your statement of farming activities in each year.

**4 Salaries and Wages:** Provide an itemized breakdown of the salary expenses you reported on your statement of farming activities for each year (Lines 9815, 9816, and/or 9828 of your T1163 if you participate in NISA; otherwise, under "Salaries, Wages, and Benefits" of your T2042). For CFIP purposes, two or more individuals are deemed to deal with each other at non-arm's length if:

- a) one is the child or descendent of the other;
- b) they are brothers or sisters;
- c) they are married to each other or common-law;
- d) one is married to a person who is connected to the person as described in a) or b) above; or
- e) one has been adopted by the other, or by some person connected to the other as described in a) above.

Non-arm's length salaries, though allowable as an expense, must be reported separately from arm's length salaries. This is necessary for identifying significant non-arm's length transactions between operations, and determining their eligibility for CFIP using a "whole farm" approach.

## Part 4a Purchased Inputs Valuation

Office Use Only	Description	(a)	(b)
		Start of 2002 Value (\$)	End of 2002 Value (\$)
	Fertilizer A	\$40,000	\$45,000
	Pesticide B	\$20,000	\$10,000
	<b>Totals</b>	<b>\$60,000</b>	<b>\$55,000</b>
<b>Net increase (decrease) in value of purchased inputs (Total column (b) - Total column (a)):</b>			<b>(\$5,000)</b>

All applicants, except those who filed to CCRA on the accrual basis for all years, must complete Part 4a of the application. This part is used to match input expenses with the production year in which they are used. Examples of inputs include fuel, chemicals, purchased seed, etc.

**1 Description:** List all inputs you had on hand at the start of your 2002 fiscal period and at the end of your 2002 fiscal period. This includes fall application of chemicals (if applicable) and prepaid purchases. If you choose to report purchased seed in this section, do not report the amount again on Part 5 - Crops Inventory.

**2 a) Start of 2002 Value:** Indicate the dollar amount you had on hand at the start of your 2002 fiscal period. Include any applicable fall applications, as well as any amounts corresponding to prepaid purchases in 2001 that were designated for the 2002 fiscal year. If there are any discrepancies between the start-of-year figures which you provide on your 2002 application and the end-of-year figures you provided on your 2001 application, please attach a detailed explanation.

**3 b) End of 2002 Value:** Indicate the dollar amount that you had on hand at the end of your 2002 fiscal period. Include any applicable fall applications and any prepaid purchases in 2002 that are designated for the 2003 fiscal year.

**4 c) Net increase (decrease) in value of purchased inputs:** is the total of column (b) MINUS the total of column (a). A positive number indicates a net increase in the value of your inputs inventory, while a negative number indicates a net decrease in the value of your inputs inventory.

**Example:** The example (shown above) is based on a December 31<sup>st</sup> fiscal year-end. In October of 2001, you purchased \$40,000 worth of Fertilizer A. You applied half of this amount that fall, and carried the other half in inventory into the 2002 fiscal year. Even though the fall-applied amounts were no longer physically on hand at the start of your 2002 fiscal period, they were still being used to produce your 2002 crops and therefore should be included as part of your opening quantity for 2002. To report this correctly, you report a total of \$40,000 in column (a). In October of 2002, you purchased \$45,000 worth of Fertilizer A. Once again, you applied half of this amount that fall and carried the other half in inventory into the 2003 fiscal year. Consequently, you report a total of \$45,000 in column (b).

Also, to start the 2002 fiscal year, you had \$15,000 worth of Pesticide B on hand, and had prepaid for an additional \$5,000 worth. Even though the prepaid amounts were not physically on hand at the start of your 2002 fiscal year, they were still used to produce your 2002 crops and therefore should be included as part of your opening quantity for 2002. To report this correctly, you report a total of \$20,000 in column (a). At the end of the 2002 fiscal year, you had \$10,000 worth of Pesticide B on hand and no prepaid amounts. Therefore, you report a total of \$10,000 in column (b).

## Part 4b Deferred Income and Receivables

Office Use Only	Description	(a)	(b)
		Opening Receivables and Income Deferred to 2002	Ending Receivables and 2002 Income Deferred to 2003
	Crop insurance claims	\$20,000	\$15,000
	Deferred grain ticket		\$12,000
	Receivables Adjustment for Pooled Commodities*	\$10,000	\$8,000
	<b>Totals</b>	<b>\$30,000</b>	<b>\$35,000</b>

**4** Net increase (decrease) in deferred income and receivables (Total column (b) - Total column (a)):

\$5,000

All applicants, except those who filed to CCRA on the accrual basis for all years, must complete Part 4b of the application. This part is used to determine the net change in deferred income and accounts receivable in your 2002 fiscal year.

Deferred income is income you have chosen to postpone receipt of to the following tax year. A receivable is income that you are owed for goods delivered or services provided in one fiscal year, but is not paid to you until the following tax year.

In order for deferred income or a receivable to be considered allowable for CFIP, it must be associated with income that is considered allowable for CFIP (e.g., a receivable for agricultural custom work is allowable; a receivable for machinery rental is non-allowable). For further details on allowable and non-allowable items, refer to Page 6 of the *CFIP 2002 Program Handbook*.

For CFIP purposes, Canadian Wheat Board (CWB) adjustment, interim, and final payments, or payments from any other pooled commodity are *not* to be reported as receivables on this Part of the application. Only CWB payments that you actually deferred from one fiscal year to another are to be reported on this Part. You must submit receipts to substantiate all CWB deferrals.

### Receivables Adjustment for Pooled

**Commodities (RAPC):** The RAPC is an option available to applicants who produce commodities that are marketed through a central pool (e.g., CWB). The RAPC adjusts their claim year margin to isolate and approximate the full value of their claim year crop. Applicants wishing to use the RAPC must complete the supplementary *RAPC Schedules* and submit them with their CFIP application.

**Note:** Although the RAPC is optional, applicants who had the RAPC applied to their margin in 2001 will be required to use the RAPC if they apply to CFIP in 2002.

**1** (a) Indicate the dollar value of the account receivable or deferred income item that is owed to you at the start of your 2002 fiscal period. If there are any discrepancies between the start-of-year figures which you provide on your 2002 application and the end-of-year figures you provided on your 2001 application, please attach a detailed explanation.

**2** (b) Indicate the dollar value of the account receivable or deferred income item that is owed to you at the end of your 2002 fiscal period.

**3** If you are using the RAPC, transfer the appropriate values from your *RAPC Schedules* onto this line.

**4** "Net increase (decrease) in deferred income and receivables" is the total of column (b) MINUS the total of column (a). A positive number indicates a net increase in your deferred income and receivables. A negative number indicates a net decrease in your deferred income and receivables.

**Example** (shown above): You deferred a \$20,000 crop insurance payment for your 2001 crops into your 2002 fiscal year. In 2002, you deferred two items into the 2003 fiscal year: a \$15,000 crop insurance payment for your 2002 crops and a \$12,000 ticket for a grain delivery.

After completing the RAPC Schedules, you also determine that you received \$10,000 in CWB payments (adjustment, final, interim) in your 2002 fiscal year for crops produced in previous years. You project you will also receive \$8,000 in future CWB payments for crops you harvested in your 2002 fiscal year. To report this correctly, you enter \$10,000 as an opening receivable and \$8,000 as an ending receivable on the RAPC Line.



## Part 4c Accounts Payable

Office Use Only	Description	(a) Accounts Payable Start of 2002	(b) Accounts Payable End of 2002
	Gasoline	\$10,000	\$15,000
	Fertilizer		\$30,000
		<b>1</b>	<b>2</b>
	<b>Totals</b>	\$10,000	\$45,000
<b>3 Net decrease (increase) in accounts payable (Total column (a) - Total column (b)):</b>		(\$35,000)	

**All applicants, except for those who filed to CCRA on the accrual basis for all years, must complete Part 4c of the application.** This part is used to determine the net change in accounts payable in your 2002 fiscal year. An account payable is an expense that you owe for goods and services received, but for which you have not paid by the end of your fiscal year.

In order for an account payable to be considered allowable for CFIP, it must be associated with an expense that is considered allowable for CFIP (e.g., a payable for a livestock purchase is allowable; a payable for building a barn is non-allowable).

### Include on this Part:

- any inputs that were not paid for but were on hand in your inventory at the start or end of your 2002 fiscal year (they must also be reported appropriately on Part 4a).
- any crops or livestock that were unpaid but on hand in your inventory at the start or end of your 2002 fiscal year (they must also be reported appropriately on Parts 5 & 6).

### Do not include on this Part:

- the interest portion of an account payable;
- amounts owed for items purchased through loans, lines of credit, or credit cards that have already been reported as an expense to CCRA for tax purposes;
- CWB advance payments.

**1** Indicate the dollar amount that you owe for the payable item at the start of your 2002 fiscal period. If there are any discrepancies between the start-of-year figures which you provide on your 2002 application and the end-of-year figures you provided on your 2001 application, please attach a detailed explanation.

**2** Indicate the dollar amount that you owed for the payable item at the end of your 2002 fiscal period.

**3** "Net decrease (increase) in accounts payable" is the total of column (a) MINUS the total of column (b). A positive number indicates a net decrease in your accounts payable. A negative number indicates a net increase in your accounts payable.

**Example:** The example (shown above) is based on a December 31<sup>st</sup> fiscal year-end. In October of 2001, you purchased and received \$10,000 worth of gasoline which you did not pay for until 2002.

At the end of your 2002 fiscal year, you purchased and received \$15,000 worth of gasoline as well as \$30,000 in fertilizer, both of which you did not pay for until your 2003 fiscal year.

## Part 5 Crop Inventory Valuation

	1	2	3	4	5	6	7	8	9	10	11	12	13
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Code	Crop / Grade	Units	Acres	Starting Inventory	Quantity Produced	Quantity Purchased	Quantity Sold	Quantity Used as Feed	Quantity Used as Seed	Ending Inventory (e+f+g-h-j)	Change in Quantity (k-e)	Fair Market Value	Change in Value (l x m)
5114	No. 2 CW Red Spring wheat (13.0)	tonnes	200	25	150	0	165	0	10	0	(25)	107.78	(2,694.50)
5120	No. 3 CW Red Spring wheat (13.0)	tonnes		0	150	0	0	50	0	100	100	81.78	8,178.00

14 Net increase (decrease) in value of crops inventory (total column (n)): \$5,483.50

**You must complete Part 5 of the application if you meet any of the following criteria:**

- you produced crops during the claim year;
- you purchased or sold crops in the claim year; or,
- you carried over crops in your inventories from one fiscal year to another.

**If you filed to CCRA on the accrual basis for all years, you do not need to complete columns (l), (m), or (n).**

This part of the application is used to measure your crop production in the claim year and to establish that your farm has completed a production cycle. Refer to your crop production records, sales and feeding records, crop insurance measurements, and inventory records to help you complete this part. If you are involved in a partnership, complete this part listing the total acres and quantities for the partnership. If you are involved in a crop share, list only your share of the acres and quantities.

**1** (b) List all commodities that you produced, purchased, sold, or had on hand at the beginning and/or end of your 2002 fiscal period. List each grade or variety of crop separately (e.g., list #1 Wheat (15%) separately from #1 Wheat (12.5%)). Use the *CFIP Price List* to record the appropriate commodity code for each grade and variety in column (a). Leave the code blank if your commodity is not listed on the *CFIP Price List*.

**2** (c) Units must be units of measurement (e.g., tonnes), not dollars. Use the same unit of measurement when completing columns (e) to (l).

**3** (d) Indicate the number of acres used to produce each crop. The total acres should add up to the total acres you indicate as seeded and forage acres for 2002 on Part 2b.

**4** (e) Indicate the quantity of the commodity you had on hand at the start of your 2002 fiscal year. If there are any discrepancies between the start-of-year figures which you provide on your 2002 application and the end-of-year figures you provided on your 2001 application, please attach a detailed explanation.

**5** (f) Indicate the quantity of the crop that was produced on the seeded acres.

**6** (g) Indicate the quantity of the commodity you purchased in 2002. If you have not yet paid for the purchase of the commodity by your 2002 fiscal year-end, the expense should also be reported as an account payable on Part 4c. However, you must still report the quantity you purchased on this Part to show the addition to your inventory.

**7** (h) Indicate the quantity of the commodity that you sold in 2002. If you have deferred the income from the sale of the inventory, the income should be reported on Part 4b. However, you must still report the quantity you delivered as a sale on this Part to show the reduction in your inventory.

**8** (i) Indicate the quantity of the commodity that you used to feed your own livestock.

**9** (j) Indicate the quantity of the commodity that you used as seed.

**10** (k) Determine the quantity of each commodity that you had on hand at the end of the fiscal year by using the following calculation: *Starting Inventory + Quantity Produced + Quantity Purchased - Quantity Sold - Quantity Used as Feed - Quantity Used as Seed = Ending Inventory*.

**Standing Crops:** If your fiscal year-end is such that your farm always has a standing crop (e.g. July 31), do not include the standing crop in inventory. If your fiscal year-end is such that a standing crop occurs in some years because harvesting may or may not have been completed by fiscal year-end (e.g. Sept. 30), include the standing crop in inventory.

## Part 5 Crop Inventory Valuation (cont'd)

	1	2	3	4	5	6	7	8	9	10	11	12	13
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Code	Crop / Grade	Units	Acres	Starting Inventory	Quantity Produced	Quantity Purchased	Quantity Sold	Quantity Used as Feed	Quantity Used as Seed	Ending Inventory (e+f+g-h-i-j)	Change in Quantity (k - e)	Fair Market Value	Change in Value (l x m)
5114	No. 2 CW Red Spring wheat (13.0)	tonnes	200	25	150	0	165	0	10	0	(25)	107.78	(2,694.50)
5120	No. 3 CW Red Spring wheat (13.0)	tonnes		0	150	0	0	50	0	100	100	81.78	8,178.00

14 Net increase (decrease) in value of crops inventory (total column (n)): \$5,483.50

**Snowed-under crops:** Snowed-under crops are considered to be inventory and should be reported on a separate line on this Part. However, if the crop was not salvageable, indicate a quantity of zero.

11 (l) "Change in Quantity" is "Ending Inventory" MINUS "Starting Inventory". This may result in a negative number.

12 (m) You will need a fair market value (FMV) to value each crop. A commodity price list with FMV's by province is provided in the *CFIP Price List*.

**Using FMV's Other Than Those in the *CFIP Price List*:** If you feel the FMV's on the *CFIP Price List* are unreasonable for your farm, you may use your own FMV's based on sales or purchases of the commodities in your name occurring within 30 days before or after your current fiscal year-end. For your own FMV's to be accepted, you must submit copies of receipts and/or supporting documents that substantiate these FMV's with your application.

**FMV's for Commodities Not Listed in the *CFIP Price List*:** Where the *CFIP Price List* does not provide a FMV for a specific commodity, you **must** provide a FMV for your commodity. Although it is not mandatory for an applicant to provide documentation supporting prices submitted for unpublished commodities, doing so will assist CFIP in determining whether the FMV you have submitted is reasonable for your farming operation. Supporting documentation includes:

- receipts from sales or purchases of the commodity;
- price information from appropriate commodity marketing agencies.

**Note:** To be considered, supporting documentation must be submitted with your application.

In all cases, CFIP reserves the right to determine whether submitted FMV's are reasonable for your farm. For further details, refer to the *CFIP Price List*.

**Note:** CFIP will value commodities on a grade and/or protein level basis if a) it was produced by a certified seed grower, b) it is a sample grade, or c) it is valued by grade/protein level on the *CFIP Price List*.

**Harvesting Allowance:** FMV's applied to both standing and snowed-under crops will be reduced by a harvesting allowance.

13 (n) "Change in Value" is "Change in Quantity" MULTIPLIED BY "Fair Market Value". This may result in a negative number.

14 Total the values in column (n) to determine your net increase or decrease in the value of your crops inventory. A positive value indicates a net increase in the value of your inventory. A negative value indicates a net decrease in the value of your inventory.

**Example:** You started your 2002 fiscal year with 25 tonnes of No. 2 CWRS wheat in your inventory. You use 10 tonnes of this wheat to seed 200 acres, and in the fall, you harvest 300 tonnes of wheat. Half of the harvest was No. 2 grade (13.0), while the other half was No. 3 grade (13.0).

Before the end of your 2002 fiscal year, you sell all of your No. 2 CWRS wheat, and feed 50 tonnes of the No. 3 CWRS to your livestock. This results in an ending inventory of 100 tonnes of No. 3 CWRS wheat.



## Part 6 Livestock Inventory Valuation

(a)	1	(c)	2	(d)	3	4	(g)	5	(h)	6	(j)	7	(k)	(l)	8	(m)	9	10	11
Code	Description	Starting Inventory		Births # of head	Purchases # of head	Sales		Deaths # of head	Transfers In # of head	Transfers Out # of head	Ending Inventory (c+e+f+g+i+j-k)		Change in Quantity (l - c)	Fair Market Value	Change in Value (n x o)				
		# of head	Avg. weight			# of head	Avg. weight				# of head	Avg. weight							
6005	Bulls - breeding	1	1,400 lbs								1	1,400 lbs	0						
6007	Cows - breeding	20	1,200 lbs							2	18	1,200 lbs	(2)	1,250.00	(2,500.00)				
6031	Calves (birth - 300 lbs)	0		17				2		15	0		0						
6009	Feeder steers (401-500 lbs)	0				7	480 lbs		7		0		0						
6016	Feeder heifers (401-500 lbs)	0				8	450 lbs		8		0		0						
6003	Cows - cull	0				2	1,200 lbs		2		0		0						
12 Net increase (decrease) in value of livestock inventory (total column (p)):																(\$2,500.00)			

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12 Net increase (decrease) in value of livestock inventory (total column (p)): (\$2,500.00)





